

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7593**

**BILL NUMBER:** HB 1682

**NOTE PREPARED:** Jan 11, 2007

**BILL AMENDED:**

**SUBJECT:** Brownfield Revitalization Incentives.

**FIRST AUTHOR:** Rep. Reardon

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill extends the availability of the Voluntary Remediation Tax Credit to taxable years beginning before January 1, 2011. (Current law does not allow a tax credit for a taxable year beginning after December 31, 2007.)

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary:* This bill extends by three years the length of time the credit may be allowed. The cap of the Voluntary Remediation Tax Credit is \$2 M. The maximum amount of credit which is allowed for each brownfield site is \$200,000. According to the IFA, no credits have been granted to date.

*Background:* For the 2005-2007 biennium, the program was appropriated \$2.5 M. The IFA reverted \$1.25 M to the state General Fund, leaving \$1.25 M available, less than what is needed for the \$2 M cap. Unless additional funds are appropriated for the fund, there will not be \$2 M available to set aside for the tax credit in FY 2008 to FY 2010. (For the 2007-2009 biennium, the Indiana Finance Authority (IFA) is requesting \$2.5 M.)

The taxpayer would claim the credit, and the Department of State Revenue (DOR) would report the total credits granted to the IFA. The IFA must transfer to the state General Fund an amount equal to the total credits granted from the subaccount of the Environmental Remediation Revolving Loan Fund.

At the end of each fiscal year, the IFA may determine whether money is available in the Environmental Remediation Revolving Loan Fund to provide tax credits in excess of the \$2 M in the subsequent state fiscal year.

The bill extends the applicability of these tax credits which were set to expire December 31, 2007, to December 31, 2010. The bill extends the carry forward provisions of these tax credits.

According to the IFA, no credits have been granted to date. However, there are sufficient funds in the Environmental Remediation Revolving Loan Fund to reimburse the General Fund for any new credits granted in tax years 2008, 2009, and 2010.

The bill contains no appropriations.

**Explanation of Local Expenditures:** .

**Explanation of Local Revenues:**

**State Agencies Affected:** IFA.

**Local Agencies Affected:**

**Information Sources:** James McGoff, Director, Environmental Programs, IFA, 317-234-2916.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.